

Policy and Procedure For Receipt of Gifts and Naming

I. Policy

It is the policy of the **Independent Citizens' Oversight Committee** (ICOC) to accept the offer of additional revenue and real and personal property as authorized by Health and Safety Code Section 125290.40(~~h p~~) to support the operations of CIRM and to further the goals of Proposition ~~7~~ 14. In addition, it is the policy of the ICOC to encourage the offer of additional revenue and real and personal property through naming. Naming can be given to both real objects - such as rooms at the CIRM location - and inanimate objects– such as grant programs.

II. Limits

- A. NAMING: A request for naming will only be considered in connection with a gift of real or personal property of substantial value to CIRM and its programs. In determining whether a gift has substantial value the ICOC will evaluation the following factors:
1. The size of the real or personal property in relation to other fund sources – including bonds – available at the same time (will it make a material contribution to CIRM's goals and programs that otherwise would not be made).
 2. Availability of the real or personal property (will it be immediately usable by CIRM or will actions – sale of stock or real property – delay access to the property).
 3. Flexibility (will CIRM have discretion in the use of the real or personal property or will it be limited to certain uses).
- B. GIFTS: The following will not be considered:
1. The gift requires an initial and/or on-going expenditure that will likely equal or exceed the value of the gift.
 2. The gift is from an institution, entity, or individual that has applied for CIRM funding or that intends to apply for CIRM funding, except for gifts of the use of government or nonprofit-owned facilities for ICOC, working group, **advisory panels**, or scientific meetings.
 3. The gift is from a biotechnology company that devotes five percent or more of its annual budget to stem cell research.

III. Procedure

A. Decision-making Authority on Real and Personal Property and Naming

All naming decisions must be approved by the ICOC. All gifts must be approved by the ICOC, except as follows:

1. Gifts of cash, stock, bonds or personal property with a value of up to \$3 million can be approved by the unanimous agreement of ~~an Executive Committee, comprised of~~ the Chair and Vice-Chair of the ICOC and the

President of CIRM, provided the terms of the gift are consistent with the Policy described above. If one or more ~~of the members of the Executive Committee~~ does not agree to accept the gift or if one or more ~~of the members~~ is unable to participate in the decision, the proposed gift shall be submitted to the ICOC for its consideration, even if the value is less than \$3 million.

2. Direct payment or reimbursement by third parties for the costs of general operation or grant management administrative activities can be accepted by the President of CIRM (e.g. – payment for activities at a conference sponsored by CIRM). Direct payments cannot be used to supplement the ICOC approved compensation of CIRM employees.
3. Gifts of a de minimis amount – \$5,000 or less – may be accepted by the President, without the approval of the ~~Executive Committee Chair and Vice-Chair of the ICOC and the President of CIRM~~ or the ICOC.
4. The President of CIRM and the Chair of the ICOC are authorized to accept free or reduced cost of government or nonprofit-owned facilities used for ICOC, working group, ~~advisory panels~~, scientific and other CIRM related meetings without the approval of the ~~Executive Committee Chair and Vice-Chair of the ICOC and the President of CIRM~~ or the ICOC. The use of such a facility is not considered a gift for purposes of presentation to the ICOC.

B. Presentation of Gifts to the ICOC

1. Gifts Requiring ICOC Approval

Each proposed gift, except those described above in Section III.A. 2., 3. and 4. must be reviewed and approved unanimously by the ~~Executive Committee Chair and Vice-Chair of the ICOC and the President of CIRM~~.

A report with the following information will be prepared by ~~the Executive Committee the Chair and Vice-Chair of the ICOC and the President of CIRM~~ and submitted by the ~~Legal Office~~ to the ICOC for each gift and proposed naming requiring the ICOC approval:

- Name and biographical data regarding the individual or organization making the gift.
- A description of the gift.
- A list of conditions or requirements to be imposed on CIRM as a result of accepting the gift.
- If one of the conditions is naming, include a description of the object to be named and whether there is a time limit on continuing the name.
- If the gift is real property, include an evaluation of the gift by the Department of General Services.
- If the gift is stock or other investments, include a description of how they will be sold and the expected net proceeds.
- A description of how the gift will be used.

Once the ICOC approves the gift by a majority of ICOC members present and

eligible to vote, the President of CIRM is authorized to initiate action to accept the gift and implement the conditions.

2. Gifts that Do Not Require ICOC Approval

At each ICOC meeting a list of gifts, as described in III.A. 1 & 2, that have been accepted by the ~~Executive Committee, the President or the Chair~~ Chair and Vice-Chair of the ICOC and the President of CIRM will be presented by the Legal Office as an information item. However, for gifts accepted by the President that are of de minimis value, as described in III.A.4, the Finance Office will be responsible for presenting a list of these gifts to the ICOC as an information item.

Gifts described under III.A.4. are not required to be on either list. The following information should be included for each reportable gift on the list:

- Name and biographical data regarding the individual or organization making the gift.
 - A description of the gift.
 - A list of conditions or requirements to be imposed on CIRM as a result of accepting the gift.
 - If the gift is stock or other investments, include a description of how they will be sold and the expected net proceeds.
 - A description of how the gift will be used.
3. Gifts of a de minimis amount may be summarized and reported in total without the information described in III.B.2.

C. Implementation of the Decision to Accept the Gift and Its Terms and Conditions, Including Naming

1. Once a gift has been approved by the ~~Executive Committee, President or ICOC~~ Chair and Vice-Chair of the ICOC and the President of CIRM as appropriate, a Commitment Letter will be developed by the Legal Office and signed by the donor and the President of CIRM. A sample format with the minimum required terms for CIRM is given in Attachment I. Any changes to this format must be included in the report to the ICOC discussed in III.B. above. A Commitment Letter is not required for gifts described under III.A.2., 3. and 4. However, a letter of appreciation ~~from on behalf of~~ the President will be sent by the Legal Office, to any donor of a direct payment or reimbursement. The Finance Office will sent a letter of appreciation on behalf of the President for gifts of a de minimus amount.
2. Once the Commitment Letter is signed (if required), the ~~Office of Administration~~ Finance Office will receive the gift and deposit any funds into a state account as soon as possible. If the gift is personal property other than cash or real property, the ~~Office of Administration~~ Legal Office will take action to liquidate these assets as soon as possible and the resulting funds will also be deposited into a state account. The ~~Office of Administration~~ Legal Office will contract with a foundation to receive and immediately sell all securities received as gifts. The proceeds, net of fees by the foundation, will be given to CIRM.
3. The ~~Office of Administration~~ Legal Office will maintain current files on each

gift and, under the direction of the President of CIRM, will ensure that all conditions and terms of the gift are adhered to by CIRM and its staff. Each file will contain all information presented to the ICOC either for approval or information and a copy of the commitment letter (or letter of appreciation) and a copy of a report to the donor on the use of the funds. It will also include any necessary information to ensure compliance with Title 2, California Code of Regulations Section 18944.2 regarding Gifts to Agency.

4. If one of the conditions is that a real or inanimate object is to be named after a donor or some other name of the donor's choosing, the ~~Office of Administration~~ Legal Office will, under the direction of the President of CIRM, implement the naming. A report on the naming action taken will be sent by the President of CIRM to the donor and a copy included in the file described in III.C.3.
5. The Finance Office shall be notified of all gifts accepted by CIRM.